

MARKET NEWS for pig meat



Market analysis

26 March 2018

Week 13

MARKET SITUATION

Europe: Trading in fresh legs and other cuts is largely at unchanged prices.

UK: Trading is stable.

Trade is reported as stable for Japan and China.

Slaughterings in Denmark

	Week 9	Week 10	Week 11	Week 1-11 2018/2017
Total	331,154	343,691	351,578	+2.9 %

Source: Danish Classification Control Service – representing around 98% of all finished pigs and sows slaughtered, excluding culled pigs.

PRICES DENMARK FOR WEEK 13

Finished pigs and sows

DKK/kg	DC	52 wk av
Finished pigs (basic weight class and basic meat percentage)	8.90	10.20
Sows (above 130 kg)	6.10	6.87

Nominal prices for piglets (30 kg)

DKK/head	Current	52 wk av.
Basic	343.89	391.92
SPF+Myc	348.89	396.92
SPF	352.89	400.92
Organic	932.38	975.52
Market prices SPF region 1		
PRRS negative	440.00	450.00
PRRS positive	410.00	431.00
Market prices SPF region 2/3		
PRRS negative	440.00	450.00
PRRS positive	410.00	431.00

Weight adjustment:	7-9 kg	9-12 kg	12-25 kg	25-30 kg	30-40 kg
	8.96 kr/kg	8.35 kr/kg	6.32 kr/kg	5.21 kr/kg	5.18 kr/kg

FUTURES

	Chicago (\$ per 100 lbs slaughter weight)		
	23/3	16/3	Change
2018			
Apr	58.43	65.45	-7.03
May	65.23	72.75	-7.53
Jun	74.15	79.13	-4.97
Jul	75.35	80.20	-4.85
Aug	75.45	80.60	-5.15
Sep	-	-	-
Oct	65.25	69.28	-4.03
Nov	-	-	-
Dec	60.43	63.83	-3.40
2019			
Jan	-	-	-
Feb	64.73	67.43	-2.70
Apr	68.25	70.90	-2.65
May	74.00	76.78	-2.78
Jun	77.65	79.75	-2.10
Jul	77.78	79.90	-2.13
Conversion factors: 1 lb = 0.4536 kg \$ = €6.0326			



EU

African Swine Fever

The EU Commission's reporting system for the outbreak of African Swine Fever in EU countries and Ukraine has been updated up to and including 18 March.

Countries	Period 4 March – 18 March		Year to date 1 Jan – 18 March	
	Pigs	Wild boar	Pigs	Wild boar
Estonia		13		130
Latvia		33		252
Lithuania		66		513
Poland		149	4	788
Italy			2	24
Ukraine	3	1	19	24
Czech Republic		1		18
Romania	1		3	



RUSSIA

African Swine Fever

Last week, Russia reported two outbreaks of African Swine Fever among wild boar in the west of the country.

 **RUSSIA**
Foot and Mouth disease

Last week, Russia reported one outbreak of Foot and Mouth disease. Some 256 head of cattle, 377 sheep and goats and 7 pigs have been affected. The outbreak occurred in the east of the country, close to the border with Mongolia.

 **CZECH REPUBLIC**
Rewards for wild boar culling

The authorities in the Czech Republic are stepping up their efforts to reduce the spread of African Swine Fever by offering a reward to hunters to shoot wild boar in the country, reports Agra Europe.

So far, hunters have only received a reward for shooting wild boar in areas that have been affected by African Swine Fever. Last week, however, the Czech Republic's Minister for Agriculture, Jirí Milek, announced that the government will pay CZK 2,000 (€78) per culled wild boar irrespective of where it was shot in the country.

"A radical reduction in the number of wild boar within the country's borders is absolutely necessary to control the spread of the disease. We have to motivate hunters, which is why we're willing to pay them CZK 2,000 per culled wild boar," said the Minister.

 **CHINA/**
 **USA**
China to impose higher tariffs on US pig meat

China has added pig meat to the list of products that constitutes a retaliation to President Trump's plans to impose import tariffs on steel and aluminium from China. China's countermeasure would mean that China's import tariffs on US pig meat (including by-products) would rise from 12% to 25%.

China is the third largest market for US pig meat exports after Mexico and Japan.

With regard to fresh/frozen pig meat, China imported 127,000 tonnes out of total US exports of 1.7 million tonnes in 2017 but is only fourth after Mexico, Japan and South Korea. With regard to by-products, however, China imported 147,000 tonnes in 2017 out of total US exports of 430,000 tonnes and is the US's largest export market followed by Hong Kong at 139,000 tonnes.

The prospect of possible Chinese retaliation caused a fall in US futures prices for pigs last week.

 **BRAZIL**
Exports to China may see a significant increase with the prospect of higher import tariffs for US pig meat

Brazilian exports of pig meat to China may increase significantly with the prospect of higher import tariffs for US pig meat, says the Brazilian meat producers' organisation, Brazilian Animal Protein Association to (ABPA) Reuters.

ABPA is already reporting strongly increasing Brazilian exports of pig meat to China for the first two months of 2018. The Russian market was closed to Brazilian meat exports during this period.

According to ABPA, Brazilian exports of pig meat to China for the first two months of the year increased by 140 per cent to 25,500 tonnes. Brazil exported 48,900 tonnes of pig meat to China in 2017.

 **USA**
Rise in pig meat storage

US storage of frozen pig meat increased by 6% in February and by the end of the month was 8% higher compared to one year ago. This is evident from the USDA's latest figures, which were published last Thursday. The chart below shows the position at the end of February compared to one month and one year ago.

1,000 lbs	28 Feb. 2017	31 Jan 2017	28 Feb 2018
Picnics	8,437	7,074	8,684
Legs	125,167	118,407	122,788
Bellies	16,153	43,810	46,509
Loins	38,155	40,773	39,017
Ribs	139,525	114,366	128,090
Trimmings	37,339	48,602	59,426
Butts	22,052	25,477	22,937
By-products	136,936	135,279	132,486
Other	44,091	46,926	54,981
Total pig meat	567,855	580,714	614,918
Beef	502,448	501,744	460,276
Poultry	1,169,572	1,255,324	1,334,681

The trend applies to most product groups. Compared to one year ago, increases in the storage of bellies and trimmings are the most significant. However, belly storage was at a record low in 2017.

Increased storage coupled with an expected increase in the production of pig meat confirms that 2018 will see increasing supplies of US pig meat in the American domestic market as well as in export markets.

US futures prices for pigs came under further pressure last week as a result of the increased storage.

 **HOLLAND**
Rise in organic pig production

Weekly Tribune reports that organic pig production in Holland increased by almost 23 per cent last year. Moreover, the number of organically reared pigs increased by 24 per cent.

In 2017, there were 154 organic pig farms – a 23 per cent rise from 2016 when there were 125. In 2015, the figure was 118, in 2014 119 and in 2013, 120.

 **VIETNAM**
Collaboration with Copenhagen University on use of antibiotics in pig production

Asian Agribusiness reports that Vietnam's Ministry of Agriculture has launched the VIDAPIG project, which stands for Antibiotic and Health in Pig Production in Vietnam.

VIDAPIG is a collaboration between Copenhagen University, the National Institute for Veterinary Research, the National Institute for Nutrition and the International Livestock Research Institute (ILRI). Anders Dalsgaard from Copenhagen University says: "The project will focus on finding solutions and will help to change the use of antibiotics in order to reduce resistance issues."

The project runs from February 2018 to January 2020 in the Bac Ninh province.